

SENATE, No. 1215

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED FEBRUARY 3, 2022

Sponsored by:

Senator MICHAEL L. TESTA, JR.

District 1 (Atlantic, Cape May and Cumberland)

SYNOPSIS

Establishes farm brewery and winery-brewery beverage license.

CURRENT VERSION OF TEXT

As introduced.



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2

1 AN ACT concerning certain alcoholic beverage manufacturing
2 licenses and amending R.S.33:1-10.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. R.S.33:1-10 is amended to read as follows:

8 33:1-10. Class A licenses shall be subdivided and classified as
9 follows:

10 Plenary brewery license. 1a. The holder of this license shall
11 be entitled, subject to rules and regulations, to brew any malt
12 alcoholic beverages and to sell and distribute his products to
13 wholesalers and retailers licensed in accordance with this chapter,
14 and to sell and distribute without this State to any persons pursuant
15 to the laws of the places of such sale and distribution, and to
16 maintain a warehouse; provided, however, that the delivery of this
17 product by the holder of this license to retailers licensed under this
18 title shall be from inventory in a warehouse located in this State
19 which is operated under a plenary brewery license. The fee for this
20 license shall be \$10,625.

21 Limited brewery license. 1b. The holder of this license shall
22 be entitled, subject to rules and regulations, to brew any malt
23 alcoholic beverages in a quantity to be expressed in said license,
24 dependent upon the following fees and not in excess of 300,000
25 barrels of 31 fluid gallons capacity per year and to sell and
26 distribute this product to wholesalers and retailers licensed in
27 accordance with this chapter, and to sell and distribute without this
28 State to any persons pursuant to the laws of the places of such sale
29 and distribution, and to maintain a warehouse; provided, however,
30 that the delivery of this product by the holder of this license to
31 retailers licensed under this title shall be from inventory in a
32 warehouse located in this State which is operated under a limited
33 brewery license. The holder of this license shall be entitled to sell
34 this product at retail to consumers on the licensed premises of the
35 brewery for consumption on the premises, but only in connection
36 with a tour of the brewery, or for consumption off the premises in a
37 quantity of not more than 15.5 fluid gallons per person, and to offer
38 samples for sampling purposes only pursuant to an annual permit
39 issued by the director. The holder of this license shall not sell food
40 or operate a restaurant on the licensed premises. The fee for this
41 license shall be graduated as follows:

42 to so brew not more than 50,000 barrels of 31 liquid gallons
43 capacity per annum, \$1,250;

44 to so brew not more than 100,000 barrels of 31 fluid gallons
45 capacity per annum, \$2,500;

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

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1 to so brew not more than 200,000 barrels of 31 fluid gallons
2 capacity per annum, \$5,000;

3 to so brew not more than 300,000 barrels of 31 fluid gallons
4 capacity per annum, \$7,500.

5 For the purposes of this subsection, "sampling" means the selling
6 at a nominal charge or the gratuitous offering of an open container
7 not exceeding four ounces of any malt alcoholic beverage. For the
8 purposes of this subsection, "product" means any malt alcoholic
9 beverage that is produced on the premises licensed under this
10 subsection.

11 Restricted brewery license. 1c. The holder of this license shall be
12 entitled, subject to rules and regulations, to brew any malt alcoholic
13 beverages in a quantity to be expressed in such license not in excess
14 of 10,000 barrels of 31 gallons capacity per year. Notwithstanding
15 the provisions of R.S.33:1-26, the director shall issue a restricted
16 brewery license only to a person or an entity which has identical
17 ownership to an entity which holds a plenary retail consumption
18 license issued pursuant to R.S.33:1-12, provided that such plenary
19 retail consumption license is operated in conjunction with a
20 restaurant regularly and principally used for the purpose of
21 providing meals to its customers and having adequate kitchen and
22 dining room facilities, and that the licensed restaurant premises is
23 immediately adjoining the premises licensed under this subsection.
24 The holder of this license shall be entitled to sell or deliver the
25 product to that restaurant premises. The holder of this license also
26 shall be entitled to sell and distribute the product to wholesalers
27 licensed in accordance with this chapter. The fee for this license
28 shall be \$1,250, which fee shall entitle the holder to brew up to
29 1,000 barrels of 31 liquid gallons per annum. The licensee also shall
30 pay an additional \$250 for every additional 1,000 barrels of 31 fluid
31 gallons produced. The fee shall be paid at the time of application
32 for the license, and additional payments based on barrels produced
33 shall be paid within 60 days following the expiration of the license
34 term upon certification by the licensee of the actual gallons brewed
35 during the license term. No more than 10 restricted brewery
36 licenses shall be issued to a person or entity which holds an interest
37 in a plenary retail consumption license. If the governing body of the
38 municipality in which the licensed premises will be located should
39 file a written objection, the director shall hold a hearing and may
40 issue the license only if the director finds that the issuance of the
41 license will not be contrary to the public interest. All fees related to
42 the issuance of both licenses shall be paid in accordance with
43 statutory law. The provisions of this subsection shall not be
44 construed to limit or restrict the rights and privileges granted by the
45 plenary retail consumption license held by the holder of the
46 restricted brewery license issued pursuant to this subsection.

47 The holder of this license shall be entitled to offer samples of its
48 product for promotional purposes at charitable or civic events off

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1 the licensed premises pursuant to an annual permit issued by the
2 director.

3 For the purposes of this subsection, "sampling" means the selling
4 at a nominal charge or the gratuitous offering of an open container
5 not exceeding four ounces of any malt alcoholic beverage product.
6 For the purposes of this subsection, "product" means any malt
7 alcoholic beverage that is produced on the premises licensed under
8 this subsection.

9 Farm brewery license. 1d. The holder of this license shall be
10 entitled, subject to rules and regulations, to brew any malt alcoholic
11 beverages in a quantity to be expressed in the license not in excess of
12 2,000 barrels of 31 fluid gallons per year and to maintain a warehouse
13 and to sell products to consumers for consumption off the licensed
14 premises and to offer samples for sampling purposes only. The license
15 shall be issued only when the brewery at which such malt alcoholic
16 beverages are brewed is located and constructed upon a tract of land
17 exclusively under the control of the licensee, provided the licensee is
18 actively engaged in farming on or adjacent to the brewery premises
19 and is growing and cultivating hops or another product which is used
20 in the production of the malt alcoholic beverages. The fee for this
21 license shall be graduated as follows: to manufacture between 1,200
22 and 2,000 barrels per year, \$300; to manufacture between 100 and
23 1,199 barrels per year, \$200; to manufacture fewer than 100 barrels per
24 year, \$100. For purposes of this subsection, "sampling" means the
25 selling at a nominal charge or the gratuitous offering of an open
26 container not exceeding one and one-half ounces of a malt alcoholic
27 beverage. No individual or entity shall hold more than one farm
28 brewery license.

29 Plenary winery license. 2a. Provided that the holder is
30 engaged in growing and cultivating grapes or fruit used in the
31 production of wine on at least three acres on, or adjacent to, the
32 winery premises, the holder of this license shall be entitled, subject
33 to rules and regulations, to produce any fermented wines, and to
34 blend, fortify and treat wines, and to sell and distribute his products
35 to wholesalers licensed in accordance with this chapter and to
36 churches for religious purposes, and to sell and distribute without
37 this State to any persons pursuant to the laws of the places of such
38 sale and distribution, and to maintain a warehouse, and to sell his
39 products at retail to consumers on the licensed premises of the
40 winery for consumption on or off the premises and to offer samples
41 for sampling purposes only. The fee for this license shall be \$938.
42 A holder of this license who produces not more than 250,000
43 gallons per year shall also have the right to sell and distribute his
44 products to retailers licensed in accordance with this chapter, except
45 that the holder of this license shall not use a common carrier for
46 such distribution. The fee for this additional privilege shall be
47 graduated as follows: a licensee who manufactures more than
48 150,000 gallons, but not in excess of 250,000 gallons per annum,

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1 \$1,000; a licensee who manufactures more than 100,000 gallons,
2 but not in excess of 150,000 gallons per annum, \$500; a licensee
3 who manufactures more than 50,000 gallons, but not in excess of
4 100,000 gallons per annum, \$250; a licensee who manufactures
5 50,000 gallons or less per annum, \$100. A holder of this license
6 who produces not more than 250,000 gallons per year shall have the
7 right to sell such wine at retail in original packages in 15
8 salesrooms apart from the winery premises for consumption on or
9 off the premises and for sampling purposes for consumption on the
10 premises, at a fee of \$250 for each salesroom. Licensees shall not
11 jointly control and operate salesrooms. Additionally, the holder of
12 this license who produces not more than 250,000 gallons per year
13 may ship not more than 12 cases of wine per year, subject to
14 regulation, to any person within or without this State over 21 years
15 of age for personal consumption and not for resale. A case of wine
16 shall not exceed a maximum of nine liters. A copy of the original
17 invoice shall be available for inspection by persons authorized to
18 enforce the alcoholic beverage laws of this State for a minimum
19 period of three years at the licensed premises of the winery. For the
20 purposes of this subsection, "sampling" means the selling at a
21 nominal charge or the gratuitous offering of an open container not
22 exceeding one and one-half ounces of any wine.

23 A holder of this license who produces not more than 250,000
24 gallons per year shall not own, either in whole or in part, or hold,
25 either directly or indirectly, any interest in a winery that produces
26 more than 250,000 gallons per year. In addition, a holder of this
27 license who produces more than 250,000 gallons per year shall not
28 own, either in whole or in part, or hold, either directly or indirectly,
29 any interest in a winery that produces not more than 250,000
30 gallons per year. For the purposes of this subsection, "product"
31 means any wine that is produced, blended, fortified, or treated by
32 the licensee on its licensed premises situated in the State of New
33 Jersey. For the purposes of this subsection, "wine" shall include
34 "hard cider" and "mead" as defined in this section.

35 Farm winery license. 2b. The holder of this license shall
36 be entitled, subject to rules and regulations, to manufacture any
37 fermented wines and fruit juices in a quantity to be expressed in
38 said license, dependent upon the following fees and not in excess of
39 50,000 gallons per year and to sell and distribute his products to
40 wholesalers and retailers licensed in accordance with this chapter
41 and to churches for religious purposes and to sell and distribute
42 without this State to any persons pursuant to the laws of the places
43 of such sale and distribution, and to maintain a warehouse and to
44 sell at retail to consumers for consumption on or off the licensed
45 premises and to offer samples for sampling purposes only. The
46 license shall be issued only when the winery at which such
47 fermented wines and fruit juices are manufactured is located and
48 constructed upon a tract of land exclusively under the control of the

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1 licensee, provided that the licensee is actively engaged in growing
2 and cultivating an area of not less than three acres on or adjacent to
3 the winery premises and on which are growing grape vines or fruit
4 to be processed into wine or fruit juice; and provided, further, that
5 for the first five years of the operation of the winery such fermented
6 wines and fruit juices shall be manufactured from at least 51
7 percent grapes or fruit grown in the State and that thereafter they
8 shall be manufactured from grapes or fruit grown in this State at
9 least to the extent required for labeling as "New Jersey Wine" under
10 the applicable federal laws and regulations. The containers of all
11 wine sold to consumers by such licensee shall have affixed a label
12 stating such information as shall be required by the rules and
13 regulations of the Director of the Division of Alcoholic Beverage
14 Control. The fee for this license shall be graduated as follows: to so
15 manufacture between 30,000 and 50,000 gallons per annum, \$375;
16 to so manufacture between 2,500 and 30,000 gallons per annum,
17 \$250; to so manufacture between 1,000 and 2,500 gallons per
18 annum, \$125; to so manufacture less than 1,000 gallons per annum,
19 \$63. No farm winery license shall be held by the holder of a plenary
20 winery license or be situated on a premises licensed as a plenary
21 winery.

22 The holder of this license shall also have the right to sell and
23 distribute his products to retailers licensed in accordance with this
24 chapter, except that the holder of this license shall not use a
25 common carrier for such distribution. The fee for this additional
26 privilege shall be \$100. The holder of this license shall have the
27 right to sell his products in original packages at retail to consumers
28 in 15 salesrooms apart from the winery premises for consumption
29 on or off the premises, and for sampling purposes for consumption
30 on the premises, at a fee of \$250 for each salesroom. Licensees
31 shall not jointly control and operate salesrooms. Additionally, the
32 holder of this license may ship not more than 12 cases of wine per
33 year, subject to regulation, to any person within or without this
34 State over 21 years of age for personal consumption and not for
35 resale. A case of wine shall not exceed a maximum of nine liters. A
36 copy of the original invoice shall be available for inspection by
37 persons authorized to enforce the alcoholic beverage laws of this
38 State for a minimum period of three years at the licensed premises
39 of the winery. For the purposes of this subsection, "sampling"
40 means the selling at a nominal charge or the gratuitous offering of
41 an open container not exceeding one and one-half ounces of any
42 wine.

43 A holder of this license who produces not more than 250,000
44 gallons per year shall not own, either in whole or in part, or hold,
45 either directly or indirectly, any interest in a winery that produces
46 more than 250,000 gallons per year.

47 Unless otherwise indicated, for the purposes of this subsection,
48 with respect to farm winery licenses, "manufacture" means the

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1 vinification, aging, storage, blending, clarification, stabilization and
2 bottling of wine or juice from New Jersey fruit to the extent
3 required by this subsection.

4 For the purposes of this subsection, "wine" shall include "hard
5 cider" and "mead" as defined in this section.

6 Wine blending license. 2c. The holder of this license shall
7 be entitled, subject to rules and regulations, to blend, treat, mix, and
8 bottle fermented wines and fruit juices with non-alcoholic
9 beverages, and to sell and distribute his products to wholesalers and
10 retailers licensed in accordance with this chapter, and to sell and
11 distribute without this State to any persons pursuant to the laws of
12 the places of such sale and distribution, and to maintain a
13 warehouse. The fee for this license shall be \$625.

14 For the purposes of this subsection, "wine" shall include "hard
15 cider" and "mead" as defined in this section.

16 Instructional winemaking facility license. 2d. The holder of
17 this license shall be entitled, subject to rules and regulations, to
18 instruct persons in and provide them with the opportunity to
19 participate directly in the process of winemaking and to directly
20 assist such persons in the process of winemaking while in the
21 process of instruction on the premises of the facility. The holder of
22 this license also shall be entitled to manufacture wine on the
23 premises not in excess of an amount of 10 percent of the wine
24 produced annually on the premises of the facility, which shall be
25 used only to replace quantities lost or discarded during the
26 winemaking process, to maintain a warehouse, and to offer samples
27 produced by persons who have received instruction in winemaking
28 on the premises by the licensee for sampling purposes only on the
29 licensed premises for the purpose of promoting winemaking for
30 personal or household use or consumption. Wine produced on the
31 premises of an instructional winemaking facility shall be used,
32 consumed or disposed of on the facility's premises or distributed
33 from the facility's premises to a person who has participated
34 directly in the process of winemaking for the person's personal or
35 household use or consumption. The holder of this license may sell
36 mercantile items traditionally associated with winemaking and
37 novelty wearing apparel identified with the name of the
38 establishment licensed under the provisions of this section. The
39 holder of this license may use the licensed premises for an event or
40 affair, including an event or affair at which a plenary retail
41 consumption licensee serves alcoholic beverages in compliance
42 with all applicable statutes and regulations promulgated by the
43 director. The fee for this license shall be \$1,000. For the purposes
44 of this subsection, "sampling" means the gratuitous offering of an
45 open container not exceeding one and one-half ounces of any wine.

46 For the purposes of this subsection, "wine" shall include "hard
47 cider" and "mead" as defined in this section.

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1 Out-of-State winery license. 2e. Provided that the
2 applicant does not produce more than 250,000 gallons of wine per
3 year, the holder of a valid winery license issued in any other state
4 may make application to the director for this license. The holder of
5 this license shall have the right to sell and distribute his products to
6 wholesalers licensed in accordance with this chapter and to sell
7 such wine at retail in original packages in 16 salesrooms apart from
8 the winery premises for consumption on or off the premises at a fee
9 of \$250 for each salesroom. Licensees shall not jointly control and
10 operate salesrooms. The annual fee for this license shall be \$938.
11 A copy of a current license issued by another state shall accompany
12 the application. The holder of this license also shall have the right
13 to sell and distribute his products to retailers licensed in accordance
14 with this chapter, except that the holder of this license shall not use
15 a common carrier for such distribution. The fee for this additional
16 privilege shall be graduated as follows: a licensee who
17 manufactures more than 150,000 gallons, but not in excess of
18 250,000 gallons per annum, \$1,000; a licensee who manufactures
19 more than 100,000 gallons, but not in excess of 150,000 gallons per
20 annum, \$500; a licensee who manufactures more than 50,000
21 gallons, but not in excess of 100,000 gallons per annum, \$250; a
22 licensee who manufactures 50,000 gallons or less per annum, \$100.
23 Additionally, the holder of this license may ship not more than 12
24 cases of wine per year, subject to regulation, to any person within or
25 without this State over 21 years of age for personal consumption
26 and not for resale. A case of wine shall not exceed a maximum of
27 nine liters. A copy of the original invoice shall be available for
28 inspection by persons authorized to enforce the alcoholic beverage
29 laws of this State for a minimum period of three years at the
30 licensed premises of the winery.

31 The licensee shall collect from the customer the tax due on the
32 sale pursuant to the "Sales and Use Tax Act," P.L.1966, c.30
33 (C.54:32B-1 et seq.) and shall pay the tax due on the delivery of
34 alcoholic beverages pursuant to the "Alcoholic beverage tax law,"
35 R.S.54:41-1 et seq. The Director of the Division of Taxation in the
36 Department of the Treasury shall promulgate such rules and
37 regulations necessary to effectuate the provisions of this paragraph,
38 and may provide by regulation for the co-administration of the tax
39 due on the delivery of alcoholic beverages pursuant to the
40 "Alcoholic beverage tax law," R.S.54:41-1 et seq. with the
41 administration of the tax due on the sale pursuant to the "Sales and
42 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

43 A holder of this license who produces not more than 250,000
44 gallons per year shall not own, either in whole or in part, or hold,
45 either directly or indirectly, any interest in a winery that produces
46 more than 250,000 gallons per year.

47 For the purposes of this subsection, "wine" shall include "hard
48 cider" and "mead" as defined in this section.

1 Cidery and meadery license. 2f. The holder of this
2 license shall be entitled, subject to rules and regulations, to
3 manufacture hard cider and mead and to sell and distribute these
4 products to wholesalers and retailers licensed in accordance with
5 this chapter, and to sell and distribute without this State to any
6 persons pursuant to the laws of the places of such sale and
7 distribution, and to maintain a warehouse. The holder of this
8 license shall be entitled to sell these products at retail to consumers
9 on the licensed premises for consumption on or off the premises and
10 to offer samples for sampling purposes only. The holder of this
11 license shall be permitted to offer for sale or make the gratuitous
12 offering of packaged crackers, chips, nuts, and similar snacks to
13 consumers, but shall not operate a restaurant on the licensed
14 premises. The fee for this license shall be \$938.

15 The holder of this license shall be entitled to manufacture hard
16 cider in a quantity not to exceed 50,000 barrels of 31 fluid gallons
17 capacity per year. With respect to the sale and distribution of hard
18 cider to a wholesaler, the licensee shall be subject to the same
19 statutory and regulatory requirements as a brewer, and hard cider
20 shall be considered a malt alcoholic beverage, for the purposes of
21 the "Malt Alcoholic Beverage Practices Act," P.L.2005, c.243
22 (C.33:1-93.12 et seq.). The holder of this license shall not directly
23 ship hard cider either within or without this State.

24 The holder of this license shall be entitled to manufacture not
25 more than 250,000 gallons of mead per year. The holder of this
26 license may ship not more than 12 cases of mead per year, subject
27 to regulation, to any person within or without this State over 21
28 years of age for personal consumption and not for resale. A case of
29 mead shall not exceed a maximum of nine liters. A copy of the
30 original invoice shall be available for inspection by persons
31 authorized to enforce the alcoholic beverage laws of this State for a
32 minimum period of three years at the licensed premises. As used in
33 this subsection:

34 "Hard cider" means a fermented alcoholic beverage derived
35 primarily from apples, pears, apple juice concentrate and water, or
36 pear juice concentrate and water, which may include spices, herbs,
37 honey, or other flavoring, and which contains at least one half of
38 one percent but less than eight and one half percent alcohol by
39 volume.

40 "Mead" means an alcoholic beverage primarily made from
41 honey, water, and yeast, and which may contain fruit, fruit juices,
42 spices, or herbs added before or after fermentation has completed,
43 except that the ratio of fermentable sugars from fruit or fruit juices
44 shall not exceed 49 percent of the total fermentable sugars used to
45 produce mead.

46 "Sampling" means the selling at a nominal charge or the
47 gratuitous offering of an open container not exceeding four ounces
48 of hard cider or mead produced on the licensed premises.

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1 Winery-brewery sublicense. 2g. The holder of a plenary winery
2 license or a farm winery license, provided that the licensee is
3 engaged in farming on or adjacent to the winery premises and is
4 growing and cultivating hops or another product used in the
5 production of malt alcoholic beverages, shall be entitled, subject to
6 rules and regulations, to brew any malt alcoholic beverages in a
7 quantity expressed in the license not in excess of 3,000 barrels of 31
8 fluid gallons capacity per year. The fee for this sublicense shall be
9 \$750. The holder of this sublicense shall be entitled to maintain a
10 warehouse and to sell these products at retail to consumers for
11 consumption off the licensed premises and to offer samples for
12 sampling purposes only. For purposes of this subsection,
13 “sampling” means the selling at a nominal charge or the gratuitous
14 offering of an open container not exceeding one and one-half
15 ounces of any malt alcoholic beverage. No individual or entity
16 shall hold more than one winery-brewery sublicense.

17 Plenary distillery license. 3a. The holder of this license shall
18 be entitled, subject to rules and regulations, to manufacture any
19 distilled alcoholic beverages and rectify, blend, treat and mix, and
20 to sell and distribute his products to wholesalers and retailers
21 licensed in accordance with this chapter, and to sell and distribute
22 without this State to any persons pursuant to the laws of the places
23 of such sale and distribution, and to maintain a warehouse. The fee
24 for this license shall be \$12,500.

25 Limited distillery license. 3b. The holder of this license shall
26 be entitled, subject to rules and regulations, to manufacture and
27 bottle any alcoholic beverages distilled from fruit juices and rectify,
28 blend, treat, mix, compound with wine and add necessary
29 sweetening and flavor to make cordial or liqueur, and to sell and
30 distribute to wholesalers and retailers licensed in accordance with
31 this chapter, and to sell and distribute without this State to any
32 persons pursuant to the laws of the places of such sale and
33 distribution and to warehouse these products. The fee for this
34 license shall be \$3,750.

35 Supplementary limited distillery license. 3c. The holder of this
36 license shall be entitled, subject to rules and regulations, to bottle
37 and rebottle, in a quantity to be expressed in said license, dependent
38 upon the following fees, alcoholic beverages distilled from fruit
39 juices by such holder pursuant to a prior plenary or limited distillery
40 license, and to sell and distribute his products to wholesalers and
41 retailers licensed in accordance with this chapter, and to sell and
42 distribute without this State to any persons pursuant to the laws of
43 the places of such sale and distribution, and to maintain a
44 warehouse. The fee for this license shall be graduated as follows:
45 to so bottle and rebottle not more than 5,000 wine gallons per
46 annum, \$313; to so bottle and rebottle not more than 10,000 wine
47 gallons per annum, \$625; to so bottle and rebottle without limit as
48 to amount, \$1,250.

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1 Craft distillery license. 3d. The holder of this license shall
2 be entitled, subject to rules and regulations, to manufacture not
3 more than 20,000 gallons of distilled alcoholic beverages, to rectify,
4 blend, treat and mix distilled alcoholic beverages, to sell and
5 distribute this product to wholesalers and retailers licensed in
6 accordance with this chapter, and to sell and distribute without this
7 State to any persons pursuant to the laws of the places of such sale
8 and distribution, and to maintain a warehouse. The holder of this
9 license shall be entitled to sell this product at retail to consumers on
10 the licensed premises of the distillery for consumption on the
11 premises, but only in connection with a tour of the distillery, and
12 for consumption off the premises in a quantity of not more than five
13 liters per person. In addition, the holder of this license may offer
14 any person not more than three samples per calendar day for
15 sampling purposes only. For the purposes of this subsection,
16 "sampling" means the gratuitous offering of an open container not
17 exceeding one-half ounce serving of distilled alcoholic beverage
18 produced on the distillery premises. Nothing in this subsection shall
19 be deemed to permit the direct shipment of distilled spirits either
20 within or without this State.

21 The holder of this license shall not sell food or operate a
22 restaurant on the licensed premises. A holder of this license who
23 certifies that not less than 51 percent of the raw materials used in
24 the production of distilled alcoholic beverages under this section are
25 grown in this State or purchased from providers located in this State
26 may, consistent with all applicable federal laws and regulations,
27 label these distilled alcoholic beverages as "New Jersey Distilled."
28 The fee for this license shall be \$938.

29 Rectifier and blender license. 4. The holder of this license
30 shall be entitled, subject to rules and regulations, to rectify, blend,
31 treat and mix distilled alcoholic beverages, and to fortify, blend,
32 and treat fermented alcoholic beverages, and prepare mixtures of
33 alcoholic beverages, and to sell and distribute his products to
34 wholesalers and retailers licensed in accordance with this chapter,
35 and to sell and distribute without this State to any persons pursuant
36 to the laws of the places of such sale and distribution, and to
37 maintain a warehouse. The fee for this license shall be \$7,500.

38 Bonded warehouse bottling license. 5. The holder of this
39 license shall be entitled, subject to rules and regulations, to bottle
40 alcoholic beverages in bond on behalf of all persons authorized by
41 federal and State law and regulations to withdraw alcoholic
42 beverages from bond. The fee for this license shall be \$625. This
43 license shall be issued only to persons holding permits to operate
44 Internal Revenue bonded warehouses pursuant to the laws of the
45 United States.

46 The provisions of section 21 of P.L.2003, c.117 amendatory of
47 this section shall apply to licenses issued or transferred on or after

1 July 1, 2003, and to license renewals commencing on or after July
2 1, 2003.

3 (cf: P.L.2017, c.80, s.1)
4

5 2. This act shall take effect on the first day of the fourth month
6 following enactment.
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8

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STATEMENT

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11 This bill establishes a winery-brewery sublicense that would
12 permit wineries to produce malt alcoholic beverages for retail sale
13 to consumers for consumption off the licensed premises and
14 establishes a farm brewery license that would permit the licensee to
15 produce malt alcoholic beverages for retail sale to consumers for
16 consumption off the licensed premises.

17 A farm brewery would operate in much the same manner as a
18 farm winery, using locally grown farm products in brewing malt
19 beverages which would be sold at the farm. A licensee would be
20 required to be actively engaged in farming on or adjacent to the
21 brewery site and to be actively cultivating hops or other products
22 used in the production of the malt alcoholic beverages.

23 A farm brewery licensee would be permitted to brew up to 2,000
24 barrels of malt alcoholic beverages per year for retail sale for
25 consumption off the premises and to offer samples. A graduated
26 license based on volume would range in cost from \$100 to \$300 a
27 year. A single individual or entity would be permitted to hold only
28 one farm brewery license.

29 The winery-brewery sublicense established by the committee
30 substitute would be available to plenary and farm winery licensees,
31 provided they are actively engaged in farming on or adjacent to the
32 winery premises and are growing and cultivating hops or another
33 product used in the production of the malt alcoholic beverages.

34 Under the provisions of the committee substitute, the holder of a
35 winery-brewery sublicense would be permitted to brew up to 3,000
36 barrels of malt beverages per year and to sell this product at retail
37 for off premises consumption and to offer samples. The committee
38 substitute does not authorize a licensee to sell any malt alcoholic
39 beverages to wholesalers and retailers. The annual fee for this
40 sublicense would be \$750.

41 A winery-brewery licensee would be permitted to hold only one
42 sublicense under the committee substitute.